

Telehealth Reimbursement Parity

By: Alex Reger, Associate Analyst

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Issue

Explain commercial health insurance telehealth reimbursement payment parity, including which states have laws requiring it or have considered legislation this session to do so.

Summary

Commercial health insurance telehealth reimbursement payment parity laws generally require commercial health carriers, insurers, or health benefit plans to reimburse health care providers for telehealth services at rates that are similar or equal to the rates for the same services provided in person. Payment parity laws are different from coverage parity laws, which generally require insurers to cover a service provided by telehealth if it covers the same service provided in person. (For example, Connecticut has a coverage parity law, but not a payment parity law (see [CGS § 38a-499a](#).)

At least 15 states have telehealth reimbursement payment parity laws in effect; two states, Utah and Washington, passed parity laws in 2020, which take effect January 1, 2021. Additionally, based on information from the National Conference of State Legislatures (NCSL), eight other states considered related legislation this year.

Although the states' laws generally require similar or equal rates for telehealth services compared to services provided in person, there are some differences. For example, in Arizona, the total payments to the originating site (i.e., patient's location) and the distant site (i.e., provider's location) must be at least the rate reimbursed for the same in-person service; Kansas and North Dakota allow carriers to establish or negotiate telehealth rates; Louisiana's law requires telehealth

payments to be at least 75% of the in-person rate; and Delaware and Georgia specifically require “reasonable reimbursement” to the originating or distant sites for transmission costs.

Table 1 provides the general reimbursement payment parity laws currently in effect for telehealth in the commercial market, including a brief summary of each. It excludes provisions such as those that are limited to payments for specific providers or services (e.g., psychiatrists or dermatologists).

Table 2 lists and briefly summarizes the legislation from the 10 states that have considered telehealth reimbursement payment parity thus far in 2020.

Table 1: Commercial Health Insurance Telehealth Reimbursement Payment Parity Laws

State	Payment Parity Provision	Statute
Arkansas	Requires the combined reimbursement amounts health benefit plans make to distant and originating sites for telehealth services to be at least the amount reimbursed when the services are provided in person	Ark. Code Ann. § 23-79-1602(d)(2)
Colorado	Requires health benefit plans to reimburse for telehealth services on the same basis as when the services are provided in person	Colo. Rev. Stat. § 10-16-123(2)(b)
Delaware	Requires insurers to reimburse for telehealth services on the same basis and at least the same rate as when the services are provided in person, including reasonable reimbursement to the originating or distant site for transmission costs	Del. Code Ann. tit. 18, §§ 3571R(e) & 3370(e)
Georgia	Requires insurers to reimburse for telehealth services on the same basis and at least the rate as when the services are provided in person, including reasonable reimbursement to the originating or distant site for transmission costs	Ga. Code Ann. § 33-24-56.4(f)
Hawaii	Requires insurers to reimburse telehealth and in-person providers an equivalent rate for the same service	Haw. Rev. Stat. § 431:10A-116.3(c)
Kansas	Allows insurers to establish payment or reimbursement rates for telehealth services in the same manner as they do for in-person services rates	Kan. Stat. Ann. § 40-2,213(d)
Kentucky	Requires health benefit plans to reimburse telehealth and in-person providers equivalent rates for the same service, unless the provider and carrier agree to a lower rate	Ky. Rev. Stat. Ann. § 304.17A-138(1)
Louisiana	Requires insurers to reimburse for telehealth services at an amount that is least 75% of the reasonable and customary reimbursement amount as when the services are provided in person	La. Stat. Ann. § 22:1821(F)
Minnesota	Requires health carriers to reimburse for telehealth services on the same basis and at the same rate as when the services are provided in person	Minn. Stat. § 62A.672(b)(3)
Missouri	Requires health carriers to reimburse for telehealth services on the same basis as when the services are provided in person, but does not require reimbursement for site origination fees or related costs	Mo. Rev. Stat. § 376.1900(4)

Table 1 (continued)

State	Payment Parity Provision	Statute
New Jersey	Requires health carriers to reimburse telehealth providers on the same basis as, and at a rate that does not exceed the rate paid to, in-person providers	N.J. Stat. Ann. § 26:2s-29(a)
New Mexico	Requires health carriers to reimburse for telehealth services on the same basis and at least the same rate paid when the service is provided in person	N.M. Stat. Ann. § 59A-46-50.3(i)
North Dakota	Allows insurers to establish reimbursement rates for telehealth services through negotiations in the same manner as for in-person services	N.D. Cent. Code § 26.1-36-09.15(3)
Tennessee	Requires insurers to reimburse for telehealth services without geographic distinction, but are not required to exceed the in-person reimbursement rate for the same services (including equipment fees)	Tenn. Code Ann. § 56-7-1002
Virginia	Requires health carriers to reimburse for telehealth services on the same basis as when the services are provided in person, but does not require reimbursement for site origination or other technical fees	Va. Code Ann. § 38.2-3418.16

Sources: NCSL; [“State Telehealth Laws and Reimbursement Policies,”](#) Center for Connected Health Policy, Spring 2019; [“50 State Survey of Telehealth Commercial Payer Statutes,”](#) Foley and Lardner LLP, December 2019.

Table 2: 2020 Commercial Telehealth Reimbursement Payment Parity Legislation

State	Bill Number(s)	Brief Summary	Status
Illinois	IL H 4963 IL S 2561	Requires insurers to provide coverage for telehealth services at the same rate as for when the services are provided in person	Pending
Iowa	IA H 2001	Requires health carriers to reimburse telehealth providers on the same basis and at the same rate as when the service is provided in person	Failed
New Hampshire	NH SB555	Requires insurers to provide coverage and reimbursement for telehealth services on the same basis as when the services are provided in person	Pending
New Jersey	NJ A 4200	Requires insurers to reimburse for telehealth services on the same basis and at the same rate as when the services are provided in person	Pending
New York	NY A 9667	Requires insurers to reimburse for primary care telehealth services on the same basis and at the same rate as when the services are provided in person	Pending
Rhode Island	S 2525A	Requires insurers to reimburse for telehealth services at least at the same rates as when the services are provided in person	Pending
Utah	HB 313	Requires insurers to reimburse for telehealth services at “commercially reasonable” rates	Enacted, effective January 1, 2021
Vermont	VT H 723	Requires insurers to reimburse for telehealth services at the same rate as when the services are provided in person	Pending

Table 2 (continued)

<i>State</i>	<i>Bill Number(s)</i>	<i>Brief Summary</i>	<i>Status</i>
Washington	WA S 5385	Requires insurers to reimburse for telehealth services at the same rate as when the services are provided in person	Enacted, effective January 1, 2021
West Virginia	WV S 688	Requires insurers to reimburse for telehealth services on the same basis and at the same rate as when the services are provided in person	Failed

Primary source: NCSL, Jun. 18, 2020.

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